

Mission

The Missouri Public Service Commission (PSC) regulates investor-owned public utilities operating in Missouri. The PSC has the statutory responsibility for ensuring that customers receive adequate amounts of safely delivered and reasonably priced utility services at rates that will provide the companies' shareholders with the opportunity to earn a reasonable return on their investment. The PSC must balance a variety of often competing private interests to ensure the overall public interest.

Jurisdiction and Goals

The Missouri Public Service Commission was created in 1913 by the Public Service Commission Law, now Chapter 386 of the Missouri Revised Statutes. Today, the PSC regulates over 1,000 investor-owned electric, natural gas, telephone, water and sewer utilities. In addition, the PSC regulates the state's 48 rural electric cooperatives and 42 municipally-owned natural gas utilities for operational safety. The PSC also regulates the manufacturers and dealers of modular homes. The Missouri PSC is the only public utility commission in the United States that regulates manufactured housing.

The PSC also oversees service territory issues involving investor-owned electric utilities, rural electric cooperatives and municipally-owned electric utilities as well as investor-owned water and sewer utilities and public water supply districts. Under federal law, the PSC also acts as a mediator and arbitrator of local telephone service disputes regarding interconnection agreements.

Virtually every Missouri citizen receives some form of utility service from an investor-owned public utility company. Utility services and infrastructure are essential to the economy of Missouri. They provide heating and cooling during extreme temperatures. They offer access to emergency services and vital information systems. They provide safe drinking water and assure the environmentally sound disposal of wastewater. Because utilities fulfill these essential needs, the PSC must assure the ratepaying public that quality services will be available on a nondiscriminatory basis at just and reasonable rates.



PSC Commissioners consider the evidence of a pending case during a weekly agenda meeting.

Commissioners

The PSC consists of five commissioners who are appointed by the Governor with the advice and consent of the Missouri Senate. The Governor designates one member as the Chair who serves in that capacity at the pleasure of the Governor.

Commissioners are appointed to six-year terms. These terms are staggered so that no more than two terms expire in any given year.

The PSC is both quasi-judicial and quasi-legislative. The PSC is responsible for deciding cases brought before it and for the promulgation of administrative rules and their enforcement. Many of the PSC's duties are performed by conducting hearings in contested cases, which by statute must be transcribed by a court reporter. Hearings are conducted in a trial-like setting using evidentiary standards under the Missouri Administrative Procedures Act. The PSC must render decisions in a timely manner to afford all parties procedural and substantive due process, and to comply with statutory time limits.

The PSC Staff

Commissioners are assisted by a staff of professionals in the fields of accounting, consumer affairs, economics, engineering, finance, law and management. Duties range from helping individual consumers with complaints to investigating multi-million dollar utility rate requests.

The Staff participates as a party in all cases before the PSC. It conducts audits of the books and records of utilities and makes recommendations to the PSC as to what type of increase, if any, should be granted. PSC Staff recommendations, like those filed by other parties to a proceeding, are evaluated by the PSC in reaching a decision in a complaint case or rate case. The PSC has established standards for safety and quality of service to which companies must adhere. Routine and special investigations of utilities are conducted by the PSC Staff to ensure compliance.

PSC Information Technology Automated Solution Project

The PSC is in the process of developing a state-of-the-art information technology system that will incorporate technologies such as document management, electronic workflow, collaboration tools and imaging.

Several meetings have been held with internal and external representatives from the various potential system user groups to receive input on design and functionality. With proper security levels, documents filed with the PSC will be electronically accessible by Commissioners, the PSC Staff, intervenors, utilities and ratepayers providing the opportunity for educated and informed decisions on timely issues.

The PSC continues to work on the final design and development of the information technology system. The expected completion date of this project is late Fourth Quarter 2001.

Y2K

The PSC responded to the Y2K challenge with the creation of Case OO-99-43. The purpose of the case was to determine the state of preparedness of all regulated utilities within the State of Missouri as well as municipalities and cooperatives.

In addition to reviewing, summarizing and compiling the data received by the utilities and filing reports with the PSC that detailed the preparedness of utilities, the PSC Staff organized three Y2K forums that presented opportunities for utilities to discuss Year 2000 issues. Staff also went on-site to the regulated electric companies in the state including a cooperative and a municipal company, for the North American Electric Reliability Council (NERC) tests held in April and September of 1999. PSC staff participated throughout the year in the Governor's Y2K Advisory Council headed by Mike Benzen of the Office of Information Technology. This council provided the opportunity for state agencies to meet and coordinate their Y2K planning efforts.

Staff was present at the State Emergency Management Agency during the evening hours of December 31, 1999, and the morning of January 1, 2000. No Y2K related service disruptions occurred as utilities transitioned into the next millennium.



IT Project Manager, Gay Smith, discusses implementation and design plans for the new PSC computer system with representatives from Gulf Computers, Inc.

Local Public Hearings

During fiscal year 2000, the PSC held 24 local public hearings throughout the State to receive customer comment on a number of key issues. Local public hearings were held in places such as Kansas City, St. Louis, Dexter, Fulton, Bonne Terre, St. Joseph and Joplin on issues ranging from rate cases to territorial agreement issues. Public hearings are designed to give affected customers an opportunity to express their views on the case before the PSC. These hearings also give customers an opportunity to bring any service related problems to the PSC's attention. In several PSC orders during the past year, Commissioners noted the input received at local public hearings and how that information affected the final decision.

Mid-America Regulatory Conference

The PSC, under the direction of Vice Chair and Mid-America Regulatory Commissioners (MARC) President M. Dianne Drainer, hosted over 400 regulatory commissioners, staff and industry representatives in St. Louis in June. Panel discussions on key issues in telecommunications, natural gas, electricity and water were



conducted over the two day conference. Conference speakers included Missouri Lt.

Governor Roger Wilson, Federal Communications Commission (FERC) Chairman James Hoecker, FERC Commissioner Curt Hebert, Jr. and Federal Communications Commission (FCC), Chief of Common Carrier Bureau, Larry Strickling. Tuesday afternoon sessions centered on technology demonstrations in the areas of natural gas, electricity and telecommunications. MARC represents state regulatory commissions from 15 Mid-western states.



A Missouri consumer prepares to testify at a PSC local public hearing.

PSC Moves to New Building

Following the end of the 2000 fiscal year, the PSC moved its offices in Jefferson City from the Harry S Truman Office Building to the newly-renovated Governor Office Building. The Governor Office Building is located at 200 Madison Street, at the corner of Capital and Madison. In addition to PSC offices, the historic Governor Office Building also houses the Office of Public Counsel, Office of Administration meeting rooms and some private sector offices. The PSC will continue to have offices in St. Louis and Kansas City.



For the MARC Presidential banquet, attendees dined at the Missouri Botanical Gardens